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PROGRAM Crossfire STATION CNN-TV

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SUBJECT Max Hugel and William Corson Interviewed

ANNOUNCER: Live from Washington, Crossfire. On the left, Tom Braden. On the right, Robert Novak. In the crossfire, covert operations expert William Corson; and in New York, Max Hugel, former Deputy Director of the CIA.

BRADEN: Good evening. Welcome to Crossfire.

Now it turns out that William Casey, Director of the CIA, first encouraged Ronald Reagan to begin the secret process of sending arms to the Ayatollah's army. Now it turns out that William Casey was also the first to learn that the secret might be blown. Some of Casey's friends and acquaintances had put money in to the secret deal. They weren't getting paid off. They were threatening to go public. So Casey went to Oliver North and said, "Is any of that money being diverted?"

All of which leaves Washington with a suspicious afterthought. Oliver North couldn't have done it on his own. Nobody agrees to that. Could anybody have done it on his own? Why, yes, of course: Bill Casey.

ROBERT NOVAK: You know, Tom, I would call that introduction disinformation, except it's really part of a witch hunt against Bill Casey, who has restored the morale and the esprit de corps of the CIA.

And I suppose that Colonel Corson, since you don't like him any better than Tom, you join right in that witch hunt.

Isn't it a fact, however, that there is not one shred of evidence to indicate that Bill Casey was running this operation on his own as a rogue elephant?

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WILLIAM CORSON: I would say that it would be highly he could run it on his own because I don't think he could run any operations.

Important to remember -- and President Reagan has said that he believed in Franklin Roosevelt. Franklin Roosevelt did the right thing. Franklin Roosevelt took his campaign director and he made him Postmaster General and we used to get our mail delivered twice a day.

This guy, Casey, went in as the Director of the CIA and is not qualified for the job.

NOVAK: He ran more operations than you ever did, sir. He ran the whole -- all the American agents in Europe during World War II.

CORSON: So says the book that the letter that went from the President nominating [sic] saying that he was in charge of all OSS operations in London and all secret operations in Eisenhower's theater of operations. Those are patent lies.

There was a guy by the name of David Bruce who ran it all, a friend of Tom's and I, who's now dead. And there was a general by the name of Silbert who might be surprised to find out...

NOVAK: Well, he ran them on the Continent, inside Germany.

CORSON: He did not run them on the Continent.

NOVAK: We're getting -- Colonel Corson, you have gotten away from the question I asked you. Is there one shred of evidence to support Tom's thesis that the diversion of funds to the Contras from the Iranian arms thing could have been done on its own by the CIA? Any shred of evidence? None, right?

CORSON: There's no evidence to indicate that the Contras received any money, Mr. Novak.

NOVAK: So why would you say a thing like that? I mean there is some...

BRADEN: Wait a minute. I didn't say that the Con -- that the money to the Contras was all Casey's on his own.

NOVAK: Well you said "on his own." What does "on his own" mean?

BRADEN: Wait a minute. Well, let me ask -- let me straighten you out. Let me ask Max Hugel.

Mr. Hugel, you were Deputy Director of the CIA. Do you think that Bill Casey is smart enough, on his own, to have handled the whole Iranian arms deal without touching any money from the CIA? That is, by going to his friends and acquaintances who deal in what we -- what the newspapers euphemistically call business. They're businessmen who deal in arms.

NOVAK: What do you think they are? Wait a minute. What are they if they're not businessmen?

BRADEN: I'm asking Mr. Hugel.

MAX HUGEL: I just think everyone is taking their eye off the ball. I mean we're talking about whether Casey did this or that. But the real impact of what's happening here is whether or not the President of the United States has a right to run a foreign policy which he has espoused in 1980 when he won by a landslide, in 1984 when he won by a mandate, over 53 million votes in 49 states, where he clearly said that his foreign policy initiative is to contain the Soviet Union and to support freedom fighters wherever they might be, that those that want to overthrow repressive dictatorships...

BRADEN: Okay.

HUGEL: And from that basic foreign policy comes the Iranian situation or the Nicaraguan situation. That all is part and parcel of what President Reagan has told the American people he's going to do. And to get into...

BRADEN: Wait a minute. Mr. Hugel.

HUGEL: Hold it. Let me finish.

BRADEN: Well, you hold it. Just a minute. I asked you a question and I asked you whether you thought Bill Casey was adept enough, smart enough to have arranged all the financing without touching funds from the CIA.

HUGEL: Well, let me tell you one thing. I'm not there, so I can't tell you that. But I'll tell you one thing. Bill Casey is a very intelligent, bright man, and I think one of a tremendous -- has done a tremendous service to the country. And I feel he's done a marvelous job within the CIA.

NOVAK: General Corson, you have a lot of animosity toward Mr. Casey, for reasons that I'm not aware of. I don't think in the time we have tonight we can go into an appraisal of Casey's record, pro or con.

We are in a crisis in this country. Can you tell me

where, on the record -- I'm not talking about suppositions or guesses or innuendo -- where, on the record, the CIA in this crisis has gone wrong or done anything wrong, or Mr. Casey has done anything wrong? Everybody wants to fire him.

CORSON: Well, he shouldn't have been appointed initially. But you -- let's say this. Casey...

NOVAK: I'm just talking about this crisis.

CORSON: Casey does not have the personnel that he needs to do the job. Mr. Hugel, with no qualifications, became the Director of Operations.

NOVAK: He hasn't been there in five years.

CORSON: We have to go -- when did this start, Mr. Novak? It started in 1981, when...

NOVAK: Ohh...

CORSON: You see, you've got to have some historical sense...

HUGEL: Wait a minute, Mr. Corson. Let me tell you one thing. When I was in there in 1981, the human intelligence was just about decimated by the Carter Administration. We had to build from scratch to be able to rebuild human intelligence, which is the only part of intelligence that can give you the other side's intent.

Now, if you don't agree with that, then you really don't happened what happened to CIA prior to Casey coming in there.

BRADEN: Mr. Hugel, I thought the CIA was an independent agency and I thought that it did not -- it was not a partisan agency. You said that the Democrats had destroyed it and the Republicans had to build it up?

HUGEL: I didn't say the Democrats. I just said under the Carter Administration, there's no question about the fact that the human intelligence part of the CIA was almost totally decimated. And I guess they figured out they could do all human intelligence with electronic surveillance. But that can't be done.

NOVAK: Colonel Corson, I'm probably foolish for trying to bring this thing back to what everybody in the country, or at least in Washington, is concerned about. I want to ask you once more. Can you tell me something -- I don't want to hear about the fact that he wasn't -- that he named Max Hugel or that

he did something in Germany 50 years ago. I want to know right now if you can tell me where the CIA and Mr. Casey have done anything wrong in this crisis so that everybody is yelling for his scalp.

CORSON: In this crisis?

NOVAK: Yeah.

CORSON: This crisis didn't begin on the 4th of November. This crisis has its antecedents. There are a lot of dead Marines that attributable to the failure of Mr. Hugel's so-called human intelligence.

NOVAK: That's not responsive.

HUGEL: Oh, wait a minute. I don't buy that. Where do you get that information from? That's a lot of nonsense. You're making statements that you don't even know anything about.

BRADEN: Well, there are a lot of dead Marines.

HUGEL: There are a lot of dead Marines, but you can't blame that...

NOVAK: I think your friend George Shultz is more responsible for them.

HUGEL: You can't blame that on CIA and human intelligence. You weren't even there to know what happened.

BRADEN: Well, tell me, Mr. Hugel. You are a former Director of Operations. Can you conceive that it would be a good plan, would you think this was a good scheme, to get a lot of businessmen from Canada, from Saudi Arabia -- it all leads as far as General Ver in the Philippines -- to finance the Iranian arms deal apart from the CIA, because the CIA can't spend money that Congress doesn't appropriate?

HUGEL: Well, that's a whole issue that we have to get involved with here.

Number one, is Iran important enough for the United States to be able to open up assets and contacts so that it can prevent a Soviet takeover...

BRADEN: Yes, but I'm asking...

HUGEL: Wait a minute. Wait a minute. Let me finish. Then I'll get to your point.

Because the Congress is a lot to blame for the fact that

you have to go around in back channels to be able to follow up a foreign policy that this President wants. The Boland Amendment came in, and therefore absolutely took the CIA out of any financing of the freedom fighters in Nicaragua, which is a policy that the President of the United States enhanced and wanted done to get the Soviet Union out of Central America, right off our shores.

So, if you're talking about what can be done and cannot be done as part of the CIA is concerned, a lot of the problems and a lot of the back channels are caused because they can't do it because their hands are tied.

BRADEN: Well, was it smart to get businessmen, acquaintances, friends, old-time pals, was it smart to get them involved, all the way to General Ver?

NOVAK: General Ver?

BRADEN: Yeah.

NOVAK: Wait a minute. You don't have any evidence there. You hear something, Tom, and you just run with it.

BRADEN: General Ver...

HUGEL: You read it in the paper. Right?

NOVAK: He read it in the San Francisco Examiner.

BRADEN: General Ver got a little money out of this, too.

HUGEL: He read it in the -- look, Tom, let's be fair about it. Whatever happens or whatever will happen in this incident I think will all come out. But the fact of the matter is, when you get private people involved to carry on a foreign policy, there's a reason for it. Sometimes you can't come out. Sometimes you have to do it secretly. Sometimes you have to do these things because your hands are tied.

NOVAK: We're going to have to take a break for a commercial, Mr. Hugel.

When we return we will try to find out whether this incident, this crisis is reason for further restrictions and further oversight by Congress on the activities of the CIA.

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BRADEN: Mr. Hugel, there's a little discrepancy in Mr.

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Casey's testimony. He said that the CIA didn't have much to do with this. And then he said that he -- and now it comes out that he first warned -- first told Ronald Reagan of how the Iranian arms deal might be done.

NOVAK: No, he didn't. He didn't do that. That's an incorrect statement. Sorry, Tom.

BRADEN: Yes, he did.

NOVAK: I'm sorry. He did not.

BRADEN: According to the Washington Post this morning, he did.

NOVAK: No, sir. That's not what the Washington Post said.

BRADEN: Now tell me, Mr. Hugel, tell me, Mr. Hugel, do you think that Bill Casey should be fired?

HUGEL: Absolutely not. I think Bill Casey has done an excellent job, a job that had to be done within the Agency. We had to rebuild a total disaster when we went in, as far as human intelligence is concerned; that morale was almost down to the floor when we came in. I think Casey has done an excellent job. He's a very bright man. He knows foreign affairs. And I would say that the last thing we should do is fire Bill Casey.

NOVAK: Let me just try to take up what Tom is talking about. He's taking a story by Bob Woodward in the Washington Post, and what happened was this -- and Colonel Corson, I think you're a fair person. I just want to know, whatever you think of Bill Casey, if there's anything wrong with this.

What happened was this: that Bud McFarlane, as National Security Adviser, asked the CIA for some kind of verification of Israeli reports that there were some moderate elements in Iran. The CIA, at the request of the NSC Director, which is certainly valid, came back and said, "Yes. We think that there is some moderate elements."

Whether you agree with that or not, isn't that a perfectly valid function for the CIA?

CORSON: Well, Mr. Novak, I think that you'll find that the so-called moderate element, Mr. Ghorbanifar, the vetting was done by Israel and done by David Kimche.

NOVAK: I agree with you.

CORSON: Well, I don't believe -- and the reason that I

think that Bud bought that is the fact that if he went to the Agency, the Agency would say, "Ghorbanifar who?"

NOVAK: He went to the Agency. I mean I feel like I'm the only guy here who knows what the facts are on these things. I mean this...

BRADEN: Mr. Hugel, let me ask you this.

NOVAK: I think this is ridiculous. He went to the Agency. That's the point.

BRADEN: Casey said that on October 22nd, on October 22nd he got a telephone call about the Canadian businessman who didn't get any money out of the deal, and that he was disturbed and went to North.

But let me ask you. Do you think that Casey first notified Meese that the investors were complaining and that Meese then went to the President?

HUGEL: I don't know what happened. I wasn't there.

But you know, the problem I have with all this dialogue that we've been having here is, was it important to us to at least try to open up channels of communication within Iran, knowing how important, geopolitically, Iran was? And is the role of the CIA to help in that regard? And the answer is yes.

Now, whether those -- whether those lines of communication were right or wrong or accurate, there's no way to find out unless we do it.

And to allow the Soviet Union, with 26 divisions sitting off the Iranian border, which I'm sure the KGB is working overtime to identify their assets so that after Khomeini dies they can have tremendous influence within Iran and do what the Russians have not been able to do for 300 years, and that get a warm sea -- deep-sea port in the Persian Gulf, which is vital to our future -- is ridiculous. That's what the CIA is there for.

NOVAK: Colonel Corson, you're a former -- I was going to say only a former -- covert operations person. I just wonder what you think of this: that the Director of Central Intelligence is called up to Capitol Hill. He testifies, closed-door, very careful who gets in that room.

CORSON: Yeah.

NOVAK: The Chairman of the House Foreign Affairs Committee admonishes the members that they're dealing with top



secret material. They're not supposed to let anything out. The minute the hearing is over, the members of Congress run out and leak exactly what was said.

Does that bother you?

CORSON: No, that doesn't bother me, because when there have been serious operations briefed -- and there is no record in the entire activity of covert operations in the CIA where it has been attributed to a leak by Congress. And what we have is this testimony, which it may be top secret in somebody's mind, but it isn't.

And the thing -- you know, you've asked the question about Casey. I'll give you a specific. Casey violated his own rules. He should be fired because of the Buckley case.

Now, that might sound pretty grim to you, but there is a rule -- there was a rule, until Mr. Hugel came -- maybe he didn't do it. Maybe Mr. Hugel didn't do it.

NOVAK: Hold on. Let's let the television viewers in on what you're talking about.

CORSON: All right. I'm talking about the fact that once a chief of station has been burned, you don't send him back. And Mr. Buckley was burned in Islamabad -- and you know it -- and we should never have sent him back to Beirut.

Now, we've had all these games. You left the Agency. I don't think you sued the Washington Post for libel for why you were driven out of the CIA.

HUGEL: Wait. What the hell -- what has that got -- I won a libel...

CORSON: That's got to do with your credibility in this whole matter.

HUGEL: I won a libel suit against two...

CORSON: Because don't tell me that Casey knows what he's doing, 'cause he's not.

HUGEL: Let me tell you something.

CORSON: There are cases, one after another.

HUGEL: I don't think you know what you're talking about. And don't...

CORSON: I know what I'm talking about, Max,...

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HUGEL: I won that libel suit.

CORSON: ...'cause I've been there.

HUGEL: You've been there, and I have too. And I'm telling you...

CORSON: Where have you been?

HUGEL: Just one second. Don't you...

CORSON: What about...

NOVAK: Give him a chance.

HUGEL: Just don't get into personalities here.

I was -- I was charged by two crooks who subsequently disappeared and who subsequently I won a libel action. And I'll tell you, that has nothing to do with the situation.

As far as Bill Casey is concerned, he's been an excellent Director of the CIA. And you can stand here from now until doomsday and say he's not, but I'll tell you he has been. And you have not been in the agency since 1981 and you don't even know what's going on, and you can make those statements.

BRADEN: Mr. Corson, tell us. What about this -- what about Buckley being burned? I had not known that.

CORSON: Buckley was the chief of station...

BRADEN: The chief of station?

CORSON: ...in Islamabad.

NOVAK: And what happened to him there?

CORSON: Well, as you know, the embassy was stormed in Islamabad. And once you're known you're not supposed to go out again. And he was sent back to Beirut, and that's in violation of the procedures that are used. You shouldn't have sent him. And he's carrying boxes with him, and there were too many files that were in Islamabad when the embassy was assaulted. And Marines were killed there.

I mean I know the old cliché about intelligence successes are never advertised. Well, there are one intelligence failure after another.

NOVAK: Colonel Corson, with all due respect, I asked

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you questions about things that are happening today, and you have a bagful of grievances. Some of them, I'm sure, are valid. Some of them are not. I can't judge it. But we're talking...

BRADEN: Well, you don't know whether they are or not. But the point is, it's very interesting. What he says about Buckley is interesting.

NOVAK: But it has nothing to do with what we're talking about now. Not a thing. Not a thing.

BRADEN: Did Hugel send Buckley over again, or did Casey?

CORSON: No, he'd been -- Mr. Hugel had resigned from the Agency by that time.

NOVAK: Then why do you accuse him of sending him?

CORSON: We're talking about Casey. I'm talking about a regula -- a ruling, internal ruling in the Agency.

HUGEL: Well, I think the man has absolutely been violating every rules of decency in making the statement he made about me. That's number one.

And number two, he never answered the question about whether going before the Senate Select Intelligence Committee under secret, people can come right out there and talk about it. I don't care if it's important secrets or what, it is absolutely a violation when right after secret testimony people can get out and make statements of what happened inside. I think that's wrong.

NOVAK: That doesn't bother you, Colonel Corson?

BRADEN: But wasn't it a violation, Mr. Hugel, for Mr. Casey to undertake this operation without notifying the congressional committees? What do you think about that?

NOVAK: What operation? What operation? What are you talking about?

HUGEL: What operation are you talking about?

BRADEN: The Iranian operation and the Contra operation.

NOVAK: He didn't do the Contra operation.

BRADEN: He did not tell -- he did not tell the congressional committees about it.

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CORSON: Mr. Novak, a number...

HUGEL: Let me tell you one thing. As far as concerned, by trying to...

BRADEN: I'm sorry, Mr. Hugel.

HUGEL: ...destroy Casey and destroy the President of the United States by making innuendos that aren't factual is totally wrong.

BRADEN: Okay. I'm sorry, our time is up.

Thank you, Mr. Hugel, for being our gues.

And thank you, William Corson, for being our guest.

And Bob and I will be back in just a minute.

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NOVAK: Tom, it's increasingly clear that a lot of people, and I guess you're one of them, are using this situation to try to redress old grievances, to try to destroy Bill Casey, to try to drive him out of office, when the complaints about him we're hearing don't have a thing to do with the current business.

BRADEN: I don't have any grievances against Casey. I've known him since World War II. He ran the German operation right near the end of the war. I think he's an excellent operator. He was an excellent operator.

NOVAK: I'm glad to hear you say that.

BRADEN: We have to find out what went on, and therefore we have to look at Casey.

NOVAK: And he didn't have anything to do with any of the stuff. We don't know that.

BRADEN: Oh, he didn't? All right. We'll find out.